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American Airlines Restores Sioux Gateway Flights in October

By Dave Dreeszen **Source** Sioux City Journal, Iowa (TNS)

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SIOUX CITY -- American Airlines has granted Sioux Gateway Airport a reprieve.

The airline has agreed to delay its earlier plan to suspend all flights at the Sioux City airport for nearly a month, starting in early October, Mayor Bob Scott announced Monday.

"It's good news that we've gotten the extension," Scott said at Monday's city council meeting. "You don't need to be a stock guy to realize the airline industry is bleeding red ink."

City leaders said the extension will give American more time to request federal subsidies to maintain the Sioux Gateway flights.

The airport is covered by the federal Essential Air Service program, which was created in 1978 to ensure that smaller communities have at least a minimal level of air service. The airport successfully used EAS to preserve Sioux City's air service when Delta Air Lines pulled out of the market years ago.

American submitted the winning proposal for the EAS flights to Chicago but in 2015 withdrew from the program while jockeying with United Airlines for the federal contract.



low overall demand for flights during the COVID-19 pandemic.

At Sioux Gateway, American's two daily flights to and from Chicago's O'Hare International Airport and one daily flight to and from Dallas-Fort Worth International Airport would have been halted from Oct. 7 to at least Nov. 3.

As a result of the 90-day extension, American's flights to Chicago and Dallas during that time period have since been restored in its reservation system.

"We recognize that (Sioux Gateway Airport) is an EAS market and subject to a specific exit timeline. Our flights to the market are among those that have suffered from low demand, so we plan to move forward with the Department of Transportation (DOT) process for EAS markets in the absence of a Payroll Support Program (PSP) extension that maintains the CARES Act service requirements," Stacy Day, an American Airlines spokesperson, said in a statement Monday night.

American is currently the only carrier at Sioux Gateway. But United Airlines is scheduled to start <u>flying to and from Denver on Oct. 14</u>.

The CARES Act relief measure approved in March set aside up to \$50 billion in cash and low-interest loans for the country's passenger airlines. American was the largest recipient -- \$10.7 billion if a pending loan wins final approval from the U.S. Treasury Department.

In return for taxpayer dollars, airlines were barred from furloughing workers and were required, in most cases, to continue serving destinations they had before the pandemic. Both of those conditions expire Sept. 30.

Passenger airlines and their labor unions are lobbying for an additional \$25 billion to keep paying workers and avoid furloughs through next March. Cargo airlines and contractors would get \$7 billion.

Congress has been deadlocked on a new relief package for weeks, and had no agreement by the time they went on August recess. Senate Republicans are in support of a leaner stimulus package, while House Democrats favor a broader, more generous bill with a higher price tag.



began to dip somewhat in March, and by April bottomed out at a mere 261. In May, only 330 people boarded flights at the airport.

Traffic rebounded slightly by June, when 591 people boarded planes at Sioux Gateway, though this figure was still less than 15 percent of the figures from the previous June.

In June, American posted a second-quarter loss of more than \$2 billion. The airline's revenues slumped 86 percent during the second quarter. The following month, the airline warned 25,000 of its workers that they could be furloughed this fall due to plummeting demand for air travel.

The Associated Press contributed to this story.

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